

LNF & IHCIF Calculations Illustration - **TAHLEQUAH in Oklahoma area** -

Given Data

- 16,581 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 10% = % Expenditures on purchased services, 90% = % expenditures in-house
- 88.2% = Cost index for purchasing health care in this geographic area
- 95.4% = Size cost index for in-house costs due to small or large size
- 96.9% = Oklahoma area cost index for health status above or below average

Cost Adjustment Calculations

- \$263 per person for purchased services = $10\% * 88.2\% * \$2,980$
- \$2,559 per person for in-house services = $90\% * 95.4\% * \$2,980$
- \$2,822 per person total = \$263 (purchase) + \$2,559 (in-house)
- **\$2,735 per person total** adjusted for health status = $\$2,822 * 96.9\%$
- **\$1,990 per person net cost** = $\$2,735 - \745 Other resources (M&M&PI)

Existing Expenditures (for 16,581 users excluding wrap-around and collections)

- \$411 per person = local IHS allowance (excludes \$ for wrap-around)
- \$77 per person = expenditures elsewhere in Oklahoma area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$542 per person for OU users** = $\$411 + \$77 + \$54$

LNF Calculation

- **19.8% Gross LNF** = $\$542$ (expenditures) / $\$2,735$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **27.2% Net LNF** = $\$542 / \$1,990$ net cost ($\$2,735 - \745 other)

IHCIF Allocation

- \$10,813,451 = \$ to raise LNF% from 27.2% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$377,173 Allocation** = $\$10,813,451$ needed for 60% * 3.488% IHCIF fraction

TAHLEQUAH Unmet Needs

- **\$32,996,633 Net Total Need** = 16,581 users * \$1,990 net cost
- **\$24,012,104 Net Unmet Need** = $(100\% - 27.2\% \text{ LNF}) * 16,581 \text{ users} * \$1,990 \text{ net cost}$